

The Story Behind the Alliance

Entra 21

Latin America and Caribbean (LAC) Region

Over half the population of Latin America and the Caribbean (LAC) is under the age of 25. As many as two thirds are not enrolled in school and can subsequently not find jobs, contributing to unemployment as high as 40%. Even youth able to afford an education are unprepared to compete for skilled jobs, while demand for Information Communication Technology (ICT) is expected to rise sharply in the region.

The combination of high birth rates, lack of education, and joblessness poses great problems for states, which must engage youth populations or risk the social consequences of crime, delinquency, and continuing poverty. USAID pursues technology training among youth through innovative public-private alliances that tap into private sector expertise and capabilities.

THE IDEA BEHIND THE ALLIANCE

Entra 21, a \$25 million initiative developed by the International Youth Foundation (IYF), is a USAID public-private alliance preparing LAC youth for today's information-based economy. Named after the 'enter' key on a computer and the age at which youth 'enter' the job market, the alliance unites these concepts by training disadvantaged youth in ICT skills through internships, job training, mentoring, and job placement.

As an activity funded partially by the USAID Global Development Alliance, it reflects the growing emphasis on bringing together multiple stakeholders across the public and private sector to address a common development issue.

Through this alliance, direct quality of life improvements are seen among disadvantaged youth. Whether a disabled Salvadorian youth finds an internship at a company where his application had previously been rejected, or an impoverished but courageous applicant receives, in addition to business training, donated clothing that helps their self-confidence in terms of personal presentation, the alliance is a vehicle for empowering young people to enter the job market.

FIRST STEPS

IYF was established in 1990 to engage youth – especially disadvantaged youth – through job and life skills training, active participation in society, and education and empowerment.

“In pursuing its mission to bring worldwide resources to young people in need, IYF identifies programs that work,” says William Reese, Chief Operating Officer for IYF. “Rather than building new programs from scratch, we take successful approaches and scale up their impact and reach so that many more young people can benefit.”

Entra 21 was no exception to this method. IYF was already in the process of cultivating an alliance with Inter-American Development Bank (IDB) to replicate previous youth employment best practice in the LAC region. IYF was also partnering with USAID in establishing the Balkan Children and Youth Foundation. “We thought it a good idea to welcome USAID to partnerships whose trains were leaving the station,” Reese says.

USAID's Global Development Alliance (GDA) - a business model that leverages public and private funds in pursuit of development goals - had only recently been created, and GDA Director Holly Wise was interested.

"Both USAID and the IYF stood to benefit from working together in this alliance," says Wise. "IYF had done prior work in cultivating an alliance with significant leveraging from the private sector. USAID, in addition to contributing project funds, offered a well-established field presence, extensive network of local partners, and the technical expertise of its staff."

In convening the alliance with IDB, Reese focused his efforts on the Multilateral Investment Fund (MIF), a \$1.2 billion seed fund established in 1993 to stimulate innovation and extend IDB's activity beyond existing bilateral and international assistance instruments.

"What IYF could offer them was greater leveraging success than they were accustomed to," Reese says. "MIF normally leverages thirty to fifty cents on the dollar, and some of that is in-kind contribution. IYF offered full one to one leveraging, plus an additional \$5 million at the country or project level with an agreement to bundle grants and shift implementing oversight to a partner organization."

The bundling agreement as well as ceding a direct oversight role was new territory for IDB. Whereas IDB traditionally employed MIF for single country, single program grants, Reese was asking for a direct disbursement of \$10 million to help fund forty projects throughout the LAC region, with a promise that IYF would provide direct oversight and quality control in disbursement and accounting.

IYF's efforts to build an alliance were successful. MIF pledged \$10 million, USAID contributed \$3 million, and IYF committed to raising \$10 million with an additional \$5 million at the project level.

And thanks to IYF's efforts, there is now an alliance among equals, consisting of organizations with overlapping development agendas, funds available to use in support of that shared agenda, and complementary comparative advantage in designing and implementing the appropriate intervention to reach disadvantaged youth in Latin America and Caribbean.

USAID's contribution to Entra 21 was announced in May 2002 at the Three Sector Conference at the United States Chamber of Commerce. The alliance was also among those highlighted at the First World Summit on Information Societies in Geneva, Switzerland in December of that year.

PARTNERS

International Youth Foundation (IYF) is an international non-profit committed to providing young people with the resources and opportunities to use their talents productively. The primary implementing partner of Entra 21.

Multilateral Investment Fund (MIF) is the autonomous fund administered by the Inter-American Development Bank.

Microsoft Corporation is a global leader in information, business, and home computing technology.

Lucent Technologies Foundation designs and delivers systems, services and software for next-generation communications networks.

Merrill Lynch is a leading financial management and advisory organization.

USAID is the United States Government's primary development assistance agency.

TARGETS AND RESULTS

By December 2003, IYF had raised \$5.4 million of its \$10 million target, including \$650,000 of its own resources. MIF also granted a one-year program extension to July 2006, allowing for additional three-year projects and greater opportunity to measure programmatic impact and disseminate results.

Over the life of the alliance, IYF's Grant Review Committee anticipates funding 40 projects that will train 12,000 youth and place 4,800 in jobs. To date, 15 projects have been approved that will train 6,840 youth and place 2,736 in jobs. Program highlights include:

- A training course in the Dominican Republic that placed 89 of 91 targeted youth in internships
- A program that will train 600 young people in Bolivia to help nonprofits expand their IT capabilities through a nationwide telecommunications system

IYF expects to finalize a monitoring and evaluation database in 2nd quarter 2004.

SUCSESSES AND CHALLENGES

In an unanticipated but welcome development, the alliance has encountered local donors who want to contribute directly to Entra 21-sponsored projects. In these cases, teaming agreements are established whereby the donor writes a check directly to the local project and IYF tracks the funding.

One unwelcome development was the crash of the tech sector market in 2001. IYF's fund-raising strategy counted heavily on tech sector interest. That strategy had to be revised to identify new opportunities for IYF to reach its \$10 million target. Sixteen projects are currently under development, but final grant approval is dependent on the procurement of more funds.

"Though challenges remain in our fundraising efforts, we expect to meet our commitments under the Entra 21 alliance," says Reese. "In fact, we intend to exceed them."